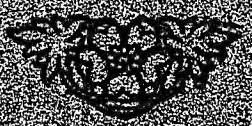
OUR - - - WESTERN LANDS - -

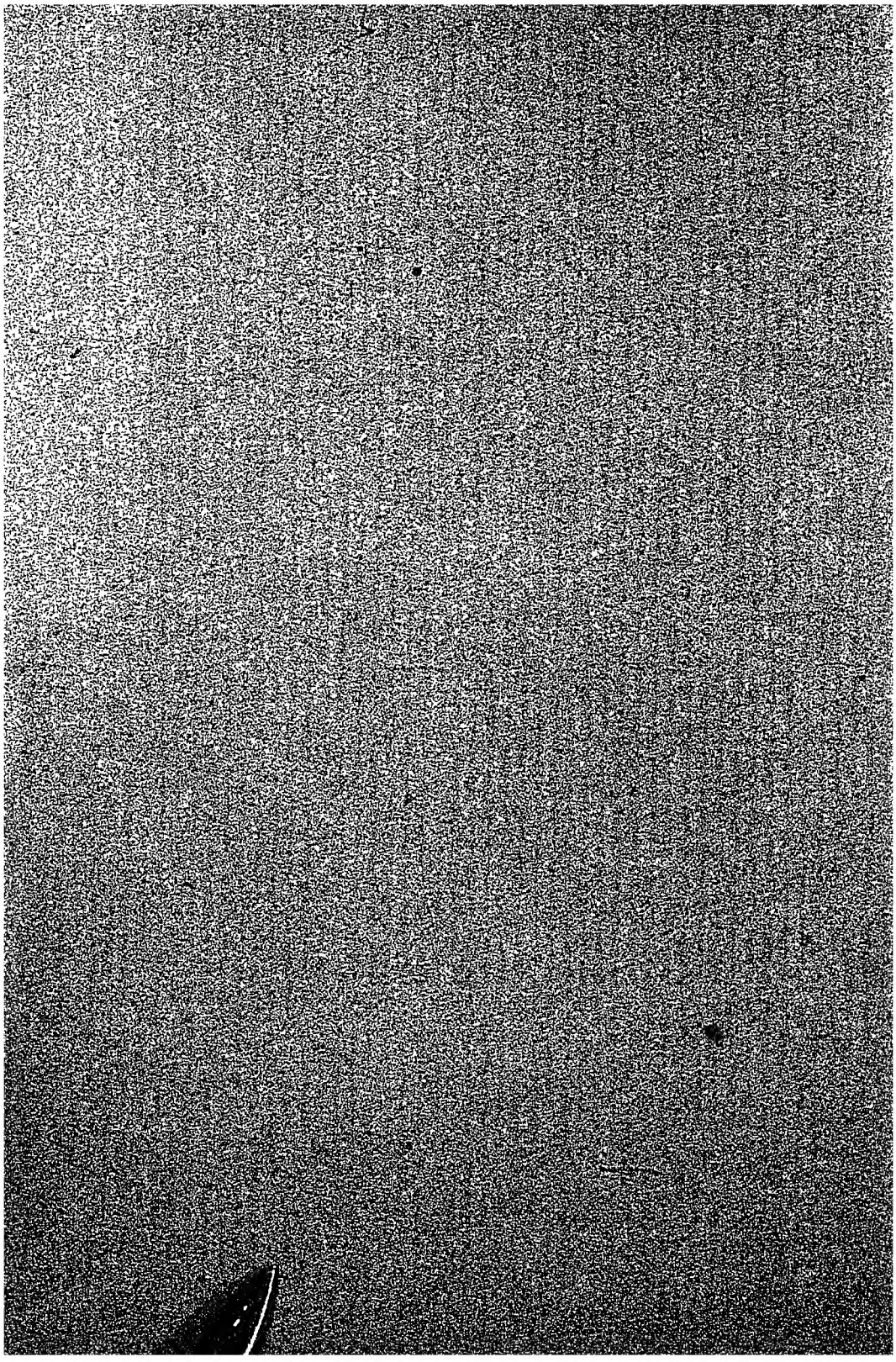
AND

How they are being administered under the Laurier Government.

THE DOMINION LIBERAL-CONSERVATIVE ASSOCIATION
FOR ONTARIO,
J. S. CARTER, Secretary,
410 CROWN LIFE BUILDING,
TORONTO.



"The Government is responsible for everything which takes place in any department."—*Sir Wilfrid Laurier.*



OUR WESTERN LANDS

Some transactions of the Laurier Administration exposed in the Sessions of 1906 and 1907

"The Government is responsible for everything which takes place in any department."—SIR WILFRID LAURIER.

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EIGHT DOLLARS TO THE SETTLER.

The Government's Friends Make $1,750,000 at the Expense of the Working Farmer.

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A Minister's Deceptive Statement.

The Liberal party platform adopted in 1893 declared in favor of "The Land for the Settler." The following is the text of the resolution: "That in the opinion of this convention the sales of public lands of the Dominion should be to actual settlers only and not to speculators, upon reasonable terms of settlement, and in such area as can be reasonably occupied and cultivated by the settler."

GREAT RUSH FOR WESTERN LANDS.

In the early part of 1902 there was a great rush of settlers from the Eastern Provinces and the United States into the Canadian West. The value of western farm lands was advancing with a rush. Railway companies and land companies were raising their prices. Homesteads easy of access were taken up as fast as they could be found. In 1902 the Canadian Pacific Company sold 1,362,478 acres, or more than four times the quantity sold the year before, receiving a much higher average price. In the Regina district alone the homestead entries increased in that year to 4,158, as against 1,308 the year before. Prairie land which could have been bought a few years earlier for two to five dollars an acre was now held at eight or ten dollars. Speculators had purchased half-breed scrip as fast as it was issued. There was great money to be made in buying land and holding it for an increased price.

Government Officer Praises This Region.

In these circumstances it was more important than ever that the land remaining ungranted should be held for the genuine settler, so that speculators and middlemen should not have opportunity to hold up the working farmer who desired to go on the land. At this stage, C. W. Speers, General Colonization Agent of the Government, wrote to Mr. Sifton, then Minister of the Interior, calling his attention to the land lying adjacent to the Saskatchewan, Long Lake & Regina Railway, between Lumsden and Dundern, the former point 20 miles and the latter 130 miles north of Regina. Mr. Speers stated that this area had not formerly been considered valuable. But the agent himself entertained a high opinion of this region.

"I have no hesitation," he said, "in stating that a great many very good districts can be found along this line of railway between the points mentioned. I have observed very closely this stretch of country and am thoroughly convinced that some progressive settlements can be placed along that line that will establish the fact that that country is all right.

"I beg to point out that there is not one bushel of wheat produced within this 115 miles, and I am persuaded that if a few hundred acres of crop were grown about half way between Lumsden and Dundern, demonstrating the fact that the country was good, that a great deal of this land would rapidly fill up with settlers."

Mr. Speers went on to say that for nine years the Soo line was without any settlers, and yet in one year from the date of his letter that country was entirely filled up. He closed by saying:

"We are experiencing a little difficulty in getting homesteads near railroads, and I am satisfied colonization roads cannot be built to meet our demands owing to the great influx of people. I anticipate that some of the country referred to will be settled during the coming summer, and the value of the odd-numbered sections very materially enhanced." (Hansard, 1906, page 4167.)

A Concession to Politicians.

No action was taken on this recommendation, though it was supported by the fact that a German-American settlement had been planted in the neighborhood of this land and was already giving signs of prosperity. As Mr. Speers said, other settlers were arranging to locate in the area of which he spoke and there was every prospect that the land would soon be in good demand.

But another thing happened. A group of investors and land speculators, some of them Canadians and political friends of the Minister, some of them from the Western States, saw a good opportunity. One of these

was Mr. A. J. Adamson, then a prominent politician, now a member of the Canadian Parliament, who had the fortune to be a brother-in-law of Mr. J. G. Turriff, then Chief Commissioner of Dominion Lands.

This gentleman and his associates began by buying the land grant of the Qu'Appelle, Long Lake & Saskatchewan Railway Company. After this purchase was made the Government generously, for the benefit of the buyers, enlarged by 2,000,000 acres the area of western lands out of which the company could make the selection. It was only after the purchase of the Qu'Appelle & Long Lake Company's interest by Mr. Adamson and his associates that anything was known of this extension of the area of selection. The effect of the change was to allow the new purchasers to go outside of the original boundaries for the whole of their purchase and to pick up what they wanted out of the best land in sight.

E. B. Osler, M.P., whose firm were agents for the Qu'Appelle & Long Lake Railway Co., declared in the House that neither his firm nor any officer or member of the company had received notice of this enlargement, which was made in August, 1902, three months after the sale of the land to Mr. Adamson's company.

250,000 Acres at One Dollar an Acre.

Having accomplished this much the purchasers of these lands approached the Government with an offer to purchase 250,000 acres originally set aside as free homesteads for settlers in that district. The outcome of the negotiations was an agreement for the sale of the above area to these land speculators at one dollar an acre, with the privilege of making their selections over a region containing nearly one million acres, and five years to complete payments. The purchasers cheerfully agreed to settle in each township twenty settlers on free homesteads not included in their purchase, and twelve more on quarter sections contained in their grant. This settlement undertaking was quite to the advantage of the investors, as they were able to offer to farmers who would buy from them an additional 160 acres of Government land for nothing! It was in any case necessary for them to encourage settlement if encouragement were needed. That was the way to make their money out of their lands and the railway lands which they had bought.

A Great Purchase.

After the deal was completed the purchasers organized the Saskatchewan Valley Land Co. and immediately offered their lands for sale at six to twelve times the price paid. The Order-in-Council confirming the contract was passed on the 24th of May, 1902, three months after the report of Mr. Speers commending this land. In July Mr. Speers wrote

again, stating that he had been over the country and was positive that the settlement would be rapid. Mr. Speers said:

"I have always been persuaded that this country was fit for settlement, and I am glad to be able to inform you that at an early date everything will be done that can be done to make this country productive. I review the fact that for some time I have been communicating with you on this stretch of country and in former correspondence have pointed out the necessity of having a portion of it settled."

The purchasing company went through several re-organizations and it is understood that persons were taken into the deal who could not conveniently be known at first in connection with it. For example, Mr. Turriff, who was Dominion Lands Agent at the time the deal was made, and is now a member of Parliament, denies that he had any interest in the deal at the beginning, but does not contradict the statement that he was afterwards connected with the purchasing companies.

The larger part of the 250,000 acres has already been sold at from $6 to $12 an acre. One large block seems to have been sold to a company at $6.50 immediately after the purchase. That appears to be the lowest price obtained.

But the limit of Government generosity had not yet been reached. The contract required the company to settle a certain number of people on homestead lands before any of the 250,000 acres could be patented to them. Yet, before these conditions were satisfied the Commissioner of Dominion Lands, Mr. J. G. Turriff, brother-in-law of Mr. Adamson, patented to the purchasers nearly 150,000 acres. Mr. Turriff is now a member of Parliament and does not contradict the statement that he has become financially interested in the Saskatchewan Co. or some of its subsidiary organizations.

In one of its pamphlets (Saskatchewan Valley and Manitoba Land Co., Ltd.) the company makes this boast:

"Our privilege of selection differs from the ordinary railway grant inasmuch as we are not obliged to take any specific number of sections in any one township. We have the privilege of selecting in the district reserved for us any odd-numbered sections in the township, excepting the two school sections . . . . We are not interested in any second-class land . . . . Owing to the condition under which we acquire our land we in every case extend to the purchaser the privilege of making his own selection. This privilege cannot be over-estimated, especially to the purchaser of any considerable tract of land."

The advertisement proceeds: "Land can be purchased from our company at $6 to $10 an acre, according to location."

"We have secured our land," says the company, "at a price which permits us to sell good land cheaper than any other company in Western Canada."

$1,750,000 Profit With no Investment.

It was a beautiful part of the arrangement that the company did not need to select OR TO PAY FOR the areas contained in the 250,000 acre grant until the land had been sold to the settler, and that then there should be a right to roam over an area of 76 townships. Farms large or small could thus be picked out where it was convenient to the purchaser from the company, and when he had signified his choice the company could go to the Government and select in lots so small as 160 acres the land thus sold as part of the 250,000 acre grant. The Government received no payment until the speculator had made his profit. For five years this could go on, until the company had sold the whole grant and was in a position to close up the arrangement and make a final payment to the Government. No doubt the average price received by the company for first class land—and it would take no other—will be over $8 an acre, leaving $7 as net profit, or $1,750,000 on the whole transaction.

The deal works out in this way:

The government receives	$ 250,000
The settlers pay	2,000,000
Speculators obtain	1,750,000

This sale of land was made secretly. No public notice was given that the land was in the market.

It was made in violation of the declared policy of the Government that land should be sold only to the settler.

It was contrary to public interest, which demands that the man who goes on the land should have the benefit of the original low prices.

Moreover, the purchasers were allowed to pay for the land in scrip which had been bought up at a fraction of its par value, so that the actual amount paid was much less than the $250,000, probably not more than $50,000.

They were allowed long credit, so that they do not pay until they sell to the settler and therefore required no capital.

A Case of Official Mendacity.

Announcing the sale in 1903, in reply to a question, the late Minister of the Interior said: "While I was away the officers of the department made an examination of an area some 250,000 acres, in what was regarded as an arid and practically useless section. The land was sold at one dollar an acre upon settlement conditions." (Hansard, 1903, page 6772). Such is the Minister's account of the same land described by the purchasing company as "this great stretch of level prairie without a tree or stone to block the plow, together with the magnificent soil, the abundance of the yield and the grade of the product, has made the Saskatche-

wan Valley the superior of the world as a wheat and flax-growing country." The same authority speaks of the soil "as a rich, black loam, ten to thirty inches deep, on a chocolate colored clay sub-soil, with water easily obtained."

Not only was the statement of Mr. Sifton opposed to the description of the land given by the purchasers, but it was flatly contradicted by his own officer's report quoted above.

A Reform Rejected.

Among the resolutions moved in the House during the session of 1906, covering cases like this, was one proposed by Dr. Roche, M.P. for Marquette, Manitoba. It set forth that:

"The public lands of Canada, situated in the provinces and territories west of the great lakes, should be made available for settlement with the least possible delay;

"That to his end all railway companies, corporations and persons now entitled to select any lands earned by way of subsidy should be obliged to complete their selection of such lands within the earliest possible period, and not later than the first day of November, 1906.

"That in arranging for the disposal of the odd numbered sections not so selected and which will thus be released from all such subsidy claims provision should be made to preserve them solely for the bona fide settler and to protect them from the exploitation of the speculator;

"That the government should take such administrative measures and introduce into parliament such legislative enactments as may be necessary fully to carry into effect the terms of this resolution."—Hansard, 1906, p. 899.

This motion was rejected by a vote of 111 to 58. It was a straight party division, except that Mr. Bourassa, Liberal member for Labelle, voted for the motion. In explaining his vote, Mr. Bourassa said:

"There are a few principles that I preached when in opposition when opposing the Conservative party, to which I adhere. I am ready to lay aside my own judgment and have done so many times in the past, and have supported the government on some questions that I did not approve. . . . This is one of the few principles of the old Liberal party to which I still adhere, and I am not prepared to vote against a motion simply because it might imply blame upon the government, when that motion condemns a policy that we have denounced time and time again in the past, and which as a Liberal I am prepared to denounce now." (Hansard, 1906, p. 1076.)

Another motion dealing with crown land management was proposed by Mr. Borden, Opposition Leader. This motion, asking for a committee of investigation, is published in another article, and was also rejected by a straight party vote.

FAKE HOMESTEADING.

CROWN LAND MALADMINISTRATION.

End of Free Homesteading Drawing Near.—Yet Millions of Acres are Held by Bogus Settlers.—The Facts Concealed by Garbling the Official Reports.

In a careful calculation made by H. B. Ames, M.P., it is shown that about 20,000,000 acres of land in what is known as the Fertile Belt of the Northwest remain unappropriated. Of this 10,000,000 acres, comprising the even-numbered sections, is open for homesteading. In 1905 34,500 homesteads were taken up, which, at 160 acres each, makes 5,520,000 acres. It is, therefore, calculated that in two years more, at the present rate of settlement, the 10,000,000 acres will be exhausted. Two more years would exhaust the 10,000,000 acres in odd-numbered sections if they should be thrown open. It is, therefore, obvious that the greatest care should be taken to give bona fide settlers the advantage of such lands as are available, the more so as there are strong temptations to speculators to get possession of these settlement lands, seeing that values are rapidly increasing.

No Man's Land.

In the course of the discussion, Mr. Ames showed that whereas a homesteader is allowed three years to perfect his entry, there were thousands of entries which after many years were neither patented nor cancelled. He said:

Prior to the 30th of June, 1902, there had been recorded in the department 108,409 homestead entries. In the ordinary course of events by July 1, 1905, all of these entries would have been patented or would have been cancelled. But the number of patents issued to homesteaders up to 30th June, 1905, was 49,455. Thus there remain to be accounted for 58,954 entries. But the cancellations must be deducted from that. We find that the total number of cancellations of entries prior to June 30, 1902, was 33,053, that in the year 1903 there were 4,756 cancellations of homestead entries, made prior to the 30th June, 1902. That during the year 1904, 4,298 more were cancelled and that during 1905, 2,106 were cancelled. Thus at the end of the three years, out of those 108,409 entries, there have been 49,455 patents granted and 44,213 cancellations made. That leaves a residue of 14,471 or nearly 15,000 entries unaccounted for.

That, said Mr. Ames, is an indication that "there is a large quantity of land held in the Northwest by people who are neither given patents

"nor having their entries cancelled, nor going on with their settlement "work."

The report of the Interior Department for 1905 shows that entries had been cancelled in that year which had been made six years before, and some entries made 20 years ago have been neither perfected nor cancelled.

Officers do not themselves make inquiries as to whether the homesteader is performing the settlement duties, and the entry stands until some neighbor desiring the homestead undertakes cancellation proceedings.

Fake Homesteading.

It is freely charged in the Northwest that the system of fake homesteading is extremely common. That is to say, entries are made by speculators who do not intend fulfilling the conditions of settlement and are not bona fide homestead settlers. Mr. Ames gave the result of his investigations on the spot. At the town of Radisson, situated in a fertile part of the country and surrounded by magnificent wheat-bearing land, he asked the settlers what were the hindrance to progress in that part of the country. They said that fake homesteading, or bogus homesteading, was so prevalent in the neighborhood that it was a discouragement to the people round about. They gave him on the spot eight instances of persons in that neighborhood who were holding homesteads without becoming settlers. J. W. Waddill, a citizen of Radisson, wrote to Mr. Ames, mentioning the name of a man who had held a homestead quarter section for four years and had never been near the place. Other men had tried to get it; but the Manitoba man was a Grit and it was held for him. Another quarter section (160 acres) was held by an official for his son who was absent in Brandon and had never lived on the place. A third was held by a man who broke ten acres the first year, let it go back to grass and never lived on the homestead.

It is well known that land company agents are offering to throw in to purchasers of their lands a quarter section of Government land.

Government Press Admits It.

On the 3rd of March, 1906, the *Manitoba Free Press*, a leading Liberal paper in the Northwest, editorially discussed the question of "Blanketing Homesteads," and made this statement:

The 'Free Press' has reason to believe that this fraud is being practised on a large scale. In some districts the homestead lands are all tied up in this way. No doubt the official records in the land offices show that each of these quarter sections has been duly entered for in the name of some individual and the conditions fixed by the Act complied with. Su-

perficially the record is probably quite correct, but behind the forms of law, a daring, cold-blooded hold-up and swindle is being perpetrated.

In pursuance of his inquiry in this matter, Mr. Ames moved for returns giving the reports of land agents at various points. Mr. Oliver accused him of insatiable curiosity and told him that the reports which he sought were available in the blue books. Ultimately, however, some original reports were brought down, one of which, the report of the agent at Battleford, addressed to the Commissioner of Dominion Lands, dated 15th July, 1905, supported the charges of general fake homesteading by speculators.

A Damaging Report Suppressed.

The agent wrote as follows:

"One remarkable and most satisfactory feature of the immigration that is now coming in is the large number of homesteaders who are immediately taking possession of the land. The element of speculation seems to have entirely disappeared. There is no doubt that a considerable proportion of the homestead entries made two or three years ago were made by speculators, and a number of those entries are still being held by persons who are yet to make an appearance. Neighbors are complaining bitterly of this, as an obstacle in the formation of school districts and impeding settlement as a whole. The majority of land seekers do not care to go through the process of cancelling an entry with the necessary delay attending the same. In the interest of settlement I would suggest that steps be taken to throw open, as soon as possible, all lands so held, making same available for actual settlers."

On referring to the blue book, in which the report was printed, and which Mr. Oliver assured Mr. Ames would be found to contain the matter which he was seeking, the astonishing discovery was made that the whole of this paragraph except the first two sentences had been struck out of the report as printed and presented to Parliament, and there was nothing to indicate that the report had been thus mutilated.

A further examination showed that another report had been mutilated and garbled in the same way, by striking out a passage showing that the illegal cutting of timber was going on in the public domain, and that "existing regulations do not prevent trespassers and irresponsible operators "from carrying on business, to the injury of bona fide dealers and holders "of lease limits, who have vested interests."

These two examples of mutilated and garbled reports show that the head of the department or of his chief officers, or both have conspired to prevent the circumstances coming to light and to give the public a false impression of the reports made by the officers on the ground.

The facts above stated were brought out in a discussion in Commons, May 10th, 1906, and further information will be obtained from Hansard of that date.

Grazing Lease Scandals.

Nine Fortunate Men Get 371,749 Acres of Grazing Land Under Irrevocable Twenty-One Year Leases Not Available for Others.

15,283 Acres of Farm Land

Allotted to Favorites at One Dollar an Acre.—When Friends are Satisfied the Doors are Closed.—Several Political Characters in this List.

Mr. Oliver's Deceptive Statements.

FORMER LEASES REVOCABLE.

When the present Government took office the section of the Dominion Lands Act dealing with the grazing leases read as follows (Hansard, 1906, page 4163):

"The Governor-in-Council may, from time to time, grant leases of unoccupied Dominion lands for grazing purposes to any person for such term of years and at such rent in each case as is deemed expedient, and every lease shall contain a condition by which the Governor-in-Council may authorize the minister at any time during the term of the lease to give the lessee notice of cancellation thereof, and at the end of two years from the service of such notice such lease shall cease and determine."

Attention is called to the condition that the lease can be cancelled at any time on two-years' notice. As the leases covered large areas, some of which might be required for settlement, this condition was in the interest of the public, though it undoubtedly reduced the value of the grazing lease for speculative purposes.

MR. SIFTON TAKES DOWN THE FENCE.

Numerous changes were made in the law and regulations within the next ten years. Power was withdrawn from the Government as a whole and given to the Minister of the Interior. Mr. Sifton took authority to grant twenty-one year grazing leases without the power of cancellation. He also took power to give to the holders of these leases absolute grants of land to the extent of ten per cent. of their holdings at the price of $1.00 an acre.

Down to 1905 only one irrevocable lease was given. That one went to A. T. Mackie, of Pembroke, Ontario, a member of a family of well-

known Liberal politicians. He obtained a lease of 41,288 acres. This was on the first day of August, 1902.

The practice of granting irrevocable grazing leases was then discontinued for more than two years, but between April and August, 1905, such leases were handed out to eight applicants, who received areas of 330,461 acres.

THE FENCE PUT UP AGAIN AFTER FRIENDS ARE WITHIN.

After August, 1905, no more irrevocable leases were granted, so that the persons who came in during the short period when the gate was open have valuable and exclusive privileges.

Mr. Sifton left office on February 27th, 1905, and Mr. Oliver was appointed in April, 1905.

Following is a statement of leases given in the short but happy period when the favored speculators had the run of the department:

THE LUCKY GROUP.

Date.	Area Acres.	Grantee.
April 9, 1905	55,747	Brown, Bedingfield & Co.
" 26, 1905	42,777	Geo. Lane.
" 28, 1905	60,000	C. E. Hall.
May 2, 1905	13,794	Glengarry Ranch Co.
" 5, 1905	47,615	Jas. D. McGregor.
" 9, 1905	48,867	A. Hitchcock.
July 17, 1905	1,280	Duncan Cameron.
March 10, 1906	60,381	H. P. Brown.

WHAT THEY GET.

These leases, with that of A. T. Mackie's 41,288 acres, comprise 371,749 acres, or 580 4-5 square miles withdrawn from settlement for twenty-one years, no matter what the demand for homes may be in that vicinity.

The last of these leases, though given on March 10th, 1906, was dated back to August 1st, 1905, a date previous to the change of policy.

The irrevocable grant to A. T. Mackie of 41,288 acres embraces two townships on the United States boundary, through which flows the south branch of the Milk River. On two sides are irrigated lands growing large crops of sugar beets and wheat. The south side of this ranch is fenced by the international boundary fence, built at the expense of the people.

The grant of April 26, 1905, to George Lane, of 42,777 acres, is in two separate areas, ten miles apart, located at the head of Willow Creek, near Staveley, on the MacLeod branch of the Canadian Pacific Railway. It is in a section rapidly filling up with settlers.

The lease to C. E. Hall of 60,000 acres has been transferred to the Milk River Cattle Co., Ltd. It is not very clear who at present comprise this company, but the names of prominent politicians have been associated with it. It is fair to say that Mr. Sifton, who was said to have purchased the principal interest in this lease, has contradicted the statement. Whether he has arranged to have an interest later will be learned in due time. The lands of this company lie in three townships and include nearly the whole of them. It had been expected that these lands would soon be settled, as the neighboring districts are pretty well occupied.

The lease of May 2, 1905, of 13,794 acres, lies north and east of the Porcupine Hills. Two streams run through it and it is surrounded by homesteads that are occupied. This lease was taken out by a prominent Liberal worker.

The Brown-Bedingfield lease was at last accounts in the hands of the original grantees.

A Valuable Property.

The two leases of May 9th, 1905, one of 47,615 acres, taken by James D. McGregor, and the other of 48,867 acres, taken by A. Hitchcock, are now owned by the Grand Forks Cattle Co., Ltd., which thus holds 96,482 acres. These lands lie in the elbow of the Saskatchewan, within five miles of the Bow Island station on the C.P.R. Crow's Nest Pass Line, immediately below and adjoining the C.P.R. irrigation belt, and immediately northeast of the area of settlement. It is said this land could readily be brought under irrigation, and land on either side of it, when irrigated, is worth $15 to $20 an acre or more.

Politicians and Officials.

The lease of March 10, 1906, of 60,381 acres, has been assigned to the Galway Horse & Cattle Co., Ltd. This adjoins the lands of the Grand Forks Cattle Co. and is a very fine property. It is interesting to note that the subscribers to the memorandum of incorporation of the Galway Co. include A. J. Adamson, M.P. for Humboldt, Sask., J. M. Adamson, wife of this member and sister of Mr. J. G. Turriff, who is also a member of Parliament, and was for several years Commissioner of Dominion Lands, and Mr. A. C. Bell, who is a cousin of Mrs. Adamson and Mr. Turriff.

Under the special regulation adopted shortly before these leases were given, and discontinued immediately afterward, three of these grantees have received absolute titles to one-tenth of the area covered by their leases by paying the minimum price of one dollar an acre. The Grand Forks Cattle Co. on the 29th of October, 1905, bought 9,452 acres, and

the Milk River Cattle Co. 5,831 acres on the 27th of January, 1906, on the same terms. The first mentioned company, as stated above, holds two "settlers."

Farm Land for $1.00 an Acre.

Now the original idea of a freehold sale of a small portion of the leased area was to enable the ranger to own enough land for buildings and farm at headquarters. It was not understood that this would run up into the thousands of acres, and that the grantee should thus obtain for $1.00 an acre land that was worth in the market five or ten dollars.

But see how it works out in the case of the Grand Forks Cattle Co. That concern holds about 150 square miles of territory under an irrevocable 21-year lease, and instead of being allowed to take a ranch farm at some convenient point, it has obtained the privilege of selecting its 9,452 acres of freehold land in quarter sections or half sections over the whole area. Undoubtedly the company has been able with this freedom of choice to select lands worth $5 to $10 an acre, and perhaps a great deal more in the open market.

What the Minister Said.

On June 12, 1905, Mr. Lake, one of the western members, questioned Mr. Oliver in regard to sales of land. Mr. Lake said: "I would like the "assurance of the Minister that there will be no sale of land en bloc made, "or no sale of land to any but the actual settlers."

To this Mr. Oliver made reply: "There will be no sale of land en "bloc to any one, and so far as the interval between now and the next "session is concerned, there will be no sales of land to any but the actual "settlers.

As a matter of fact, in spite of this statement, these two sales of land en bloc, amounting to 15,283 acres, were made before the next succeeding session. It is true that Mr. Oliver has said that they were made by virtue of contracts of agreement already entered into before Mr. Oliver became Minister, but the records show that the transactions were not completed or the property acquired, or the price paid until shortly after Mr. Oliver's pledge to Mr. Lake and the House. If there was an agreement made by Mr. Sifton to sell this land to political and personal friends, Mr. Oliver was guilty of duplicity in concealing the fact when the question was put to him.

One of the Grantees.

It should be noted that James D. McGregor, the grantee of one of the leases transferred to the Grand Forks Co., has been rather prominent in political and official life during the last ten years. He was former-

ly a livery stable keeper and horse dealer in Brandon, where he made himself useful to Mr. Sifton in election campaigns. By that Minister he was made an official in the Yukon and his conduct in that capacity was under discussion during several sessions. On one occasion, when Mr. McGregor was in Ottawa. during session time, he was very much needed as a witness in a public accounts' investigation. His sudden and mysterious disappearance, rapidly pursued by messages and telegrams, which he adroitly avoided, was a subject of much humorous discussion at the time.

It seems to be quite the natural thing that Mr. McGregor, who has held several offices under the Government since his Yukon days, but apparently never ceased to be a politician, should now appear as one of the prize winners in the western land game.

No More Chances.

There are no more 21-year irrevocable grazing leases. There are no more 10 per cent grants of land at a dollar an acre. For some six months it was the privilege of the chosen few to rush in and gather up these lands on terms that are no longer available. Then the door is shut and the privileged parties are left in exclusive possession; at least, until contributions are wanted for another election campaign.

The lowest price at which lessees can now obtain land for the home ranch is $3.00 an acre. As compared with the grantee who came in a few weeks later, the Grand Forks Co. makes $18,904 on its purchase of land, while the Milk River people clear $11,662.

THE GALWAY DEAL.

A Lease Held for Two Years—Ostensibly for an Absent and Non-Paying Applicant—While the Real Party was a Politician.

FORTUNATE MR. ADAMSON, M.P.

Who Gets in Without Paying—And Holds an Irrevocable 21-Year Lease—Pays One Cent an Acre, or $600; and Sells Out for $20,000—Mr. Oliver's Easy Surrender to the Land Grabbers.

This is the history of the Galway Horse & Cattle Company deal. It is a characteristic episode and shows how certain politicians and their friends have been able to grow rich at the expense of the genuine settler and investor in that country.

The Unknown Mr. Brown.

On the 27th of May, 1902, the Department of the Interior received an application for a closed grazing lease of 60,000 acres, or nearly 100 square miles of land lying just west of the confluence of the Bow and Belly Rivers in South-eastern Alberta. The applicant signed himself H. P. Brown, of Grand Falls, Montana. The Department proceeded through the usual routine, and an Order in Council on the 23rd of March, 1903, was issued directing that Brown should receive his lease. The regulation required six months' payment in advance of the rental, which was only two cents per acre. The secretary of the Department wrote accordingly to Mr. Brown asking him to pay $603.81 and take his lease.

A Patient Department.

Mr. Brown did not reply. On the 27th of July, 1903, the secretary wrote again to H. P. Brown, saying:

"If the amount of rental, being $603.81, is not received here within thirty days from this date, it will be understood that you do not wish for the lease of these lands."

To this intimation no reply was received. In the ordinary course of events the application would have lapsed on the 27th of August, 1903, and Mr. Brown would have been heard from no more. As a matter of fact, Mr. Brown had not lived in Canada for many years, and some

doubt is expressed if there ever was such a man. But it is almost certain that he existed.

Strange to say, though there were many other applicants for grazing leases in this neighborhood, and though there were farmers who desired to settle on the land, the Department still held the 60,000 acres subject to Mr. Brown's order. The secret of this astonishing patience is, perhaps, disclosed by the appearance of three initials connected with Mr. Brown's original application.

J. D. McGregor Is Behind It.

It may be said that though Mr. Brown's letter asking for the land was dated from Grand Falls, Montana, it was received at the Department on the day after it was written. Of course, it could not come so far in that time, and, as a matter of fact, it was written in Ottawa. Underneath the text is found the magic legend, "per J. D. M." Now J. D. M. is James D. McGregor, the veteran of the Robins Irrigation deal, the hero of the Grand Forks grazing lease, former livery stablekeeper and campaign manager in Brandon, former Liquor inspector, Mining Inspector, etc., etc., in the Yukon, but always a close and intimate associate of Hon. Clifford Sifton, who was then Minister of the Interior, and is apparently to this day a dictator in the affairs of that Department. It went without saying that if "J. D. M." was interested in Mr. Brown, the Brown lease must be protected, even though Mr. Brown could not be found or induced to pay his rental for many weary years.

Absence Makes the Heart Grow Fonder.

So on the 24th of December, 1903, though Mr. Brown had still not been found, his name was included with two others in an Order in Council which set forth that he was entitled to an irrevocable closed twenty-one-year-grazing lease. It was then a year and a half since Mr. Brown had been heard from, and he had not paid a cent. He did not own a single animal in Canada, and had probably not seen the land in question for many years. Yet this Order in Council set forth that he was to be offered the twenty-one-year lease on the ground that he had since March, 1903, "been in possession of the lands described in this Order."

An Invisible Possessor.

But though the Government declared that Mr. Brown was in possession the officers of the Department were still unable to find him. Government had kindly forgiven him half a year's back rent, and proposed to date the lease from the first of December. The Secretary wrote to Mr. Brown at Montana, sending the lease to be signed, and asking for

six months' rent. There was no answer. This was on the 14th of January, 1904, and on the 15th of April another departmental letter was sent, again asking Mr. Brown to sign the lease and pay. A third letter to the same effect was sent on the 26th of May, 1904. Still Mr. Brown could not be found. Still the lease was held subject to his order. Still all other applicants were kept off.

It Was Kept for Another.

So the year 1904 wore away. On January 7, 1905, the Department made another desperate effort, the secretary writing to Mr. Brown to say that more than a year's rent was due. But Mr. Brown paid no attention. The reason for his silence is soon to be known. He had no interest in the transaction at this time, and probably never had. The lease was nursed for people much nearer Ottawa and very much nearer the Minister. But as they were not disposed to pay any rent it was necessary to keep up the form of dunning Mr. Brown.

Settlers Wanted the Land.

Meanwhile there was urgent demand from settlers who desired to homestead this area. A petition signed by eleven residents of the district protested against the continuance of this lease as an injustice to the farmers and an injury to the country. They declared that good crops could be grown on this land and that numbers of settlers were ready to take up homesteads on it as soon as the lease should be cancelled. Subordinate officials did not understand why the 60,000 acres should be held year after year for a man who apparently did not want it, who had neglected to sign the lease, who had paid no rental and had not answered a single one of the seven letters sent him by the Department. The innocent secretary of the Department and the local agent did not know the full significance of the signature "J. D. M.," nor did they dream that a member of Parliament, a sister of a member of Parliament and a cousin of that sister had stepped into Mr. Brown's shoes.

Forced Out of Hiding.

Mr. J. W. Martin, agent of Dominion Lands at Lethbridge, wrote on the 15th of March, 1905, to say that he was in receipt of many applications to homestead these lands, and as the lease had not been taken and the rent had not been paid, he wanted to know whether action could not be taken (Hansard, 1907, page 3506). Mr. Sifton had then resigned office and Mr. Oliver had not been appointed. There was an acting Minister, and the situation was such that the real parties to the deal found it necessary to disclose themselves.

So on the 17th of July, 1905, Mr. A. J. Adamson, member of Parliament for the riding of Humbolt, sent the following letter to the Department of the Interior:

HOUSE OF COMMONS,
OTTAWA, July 17th, 1905.

Department of Interior,
Ottawa.

Dear Sir:—I enclose herewith an assignment of lease from Henry P. Brown to the Galway Horse and Cattle Company, Limited, together with cheque for $650, being approximate for six months rent from the first inst.

Yours truly,
A. J. Adamson.

(Hansard 1907, page 3480).

This was the first that the Department officials had heard from Mr. Adamson on the subject. But the document contained the astounding information that Mr. Brown had assigned his lease as far back as September 17, 1903, a year an ten months before. It is another interesting fact that at the time Mr. Brown assigned to the Galway Horse and Cattle Company no such corporation existed. The company was not incorporated until March 11, 1904.

WHO ARE THE GALWAY COMPANY?

Who comprised the Galway Horse and Cattle Company? Three names are given as subscribers to the memorandum of association. One is A. J. Adamson, the member of Parliament aforesaid. Another is his wife, J. M. Adamson, who is a sister to Mr. Turriff, now member of Parliament for East Assiniboia. The third is Mr. A. J. Bell, of Prince Albert, a cousin of Mrs. Adamson.

We see that Mr. Adamson was carrying around the lease and the assignment from Mr. Brown all the time the Department of the Interior was looking for that long lost individual. Mr. Adamson was elected to Parliament after he obtained this assignment. He sat through the session of 1905 without giving the Department any information about it. It was only at the end of the session, when the lease was about to be cancelled, that Mr. Adamson disclosed himself as the holder of it.

AN INTERESTING SITUATION.

Mr. Adamson had paid no rent. He had placed no cattle on the land. His Galway Horse & Cattle Company had done no business. He had obtained the assignment from Mr. Brown after that gentleman had forfeited all claim to it. In short the alleged assignment was the transfer of a lease that did not exist to a company which did not exist.

No doubt the Minister who had retired knew the whole story, and that was the reason that the lease was kept alive. But the subordinates were absolutely in the dark, and Mr. Oliver when he took office had yet

to learn the extent of the pull which the Galway Horse and Cattle Company possessed.

A Surprised Official.

Mr. Ryley, Accountant of the Department of the Interior, was rather surprised when he received a cheque for $650 and with it a claim for a practically forfeited lease nearly two years old on which there was due $2,415. So he proceeded to write to Deputy Minister Cory the history of the transaction (Hansard, 1907, page 3480). Mr. Ryley left out of account the first lease offered to Mr. Brown and all the transactions in the early part of 1903. He pointed out that a lease had been prepared in January, 1904, that the rent was due from December, 1903, that Mr. Brown never took the lease and never paid the rental, and that now an assignment had been received to the Galway Horse and Cattle Company, which offered to pay only the current half-year's rent. The accountant wanted to know whether the Department would accept this partial payment or would charge the full $2,415.

The Better Mr. Oliver.

The matter was referred to Mr. Oliver who was still in the innocent stage of his incumbency. Mr. Oliver decided at once that Mr. Adamson might take the lease as a new one on new conditions or as an old one on the conditions that existed when the first lease was given. The old lease was a twenty-one year irrevocable grant. The gate had been shut on these irrevocable leases and the Department was giving no more of them. New leases were revocable on two years' notice. Mr. Adamson's company could have the new lease and commence payments then, or it could take the old lease and pay the arrears. The Minister might well have refused either one and opened the land for settlement, or else offered it for competition. But he did not go so far as that.

The text of Mr. Oliver's instructions was as follows (Hansard, page 3481):

> Mr. Ryley, I think it can be assumed from the annexed report that it was the intention to issue to Mr. H. P. Brown a closed lease without any provision for cancellation thereof upon giving two year's notice.
>
> This being the case, I see no objection to a lease being issued to the assignee of Mr. Brown, and that the rental should commence to accrue from the date upon which the first half year's rent was paid, provided a clause be inserted in the lease that it may be cancelled upon giving two year's notice."

Mr. Adamson Makes Choice.

When Mr. Adamson received this intimation and found that he might either take the old lease and pay the amounts due on it or take the revocable lease escaping the back rent, he concluded to save his money and

take the new lease. It is not very clear what right the Minister had to forgive these payments, seeing that the Department had declared in 1903 that the lessee was actually occupying and using the land. However, that is what the Minister did and Mr. Adamson accepted the proposition.

Still the member for Humboldt was not going into the cattle business. The Galway Horse & Cattle Company had nothing to do with horses or cattle. It was engaged in land speculation, and the lease was hawked about among cattle owners in the West for some time. But the cattle men in 1905 were not paying their money so generously as Mr. Adamson wished for leases that could be cancelled in two years. They saw the McGregors, the Hitchcocks and other favorites holding twenty-one year leases with no power to cancel. That was the thing they wanted.

It Was a Revocable Lease.

Mr. Adamson had chosen the other kind. This is shown by a letter written by the Secretary of the Interior Department on the 28th of July, 1905, to M. S. McCarthy, M.P. for Calgary. The Secretary wrote concerning the Galway lease:

> "The term of the lease is twenty-one years, the rental 2 cents per acre per annum and provision is made that should the Governor in council at any time during the term of the lease consider it in the public interest to terminate the same for any reason, the Minister of the Interior can and may, on giving two years notice cancel the lease at any time during the period of the lease."

This is an official statement that Mr. Adamson's company had a revocable lease only. This was what the Minister ordered. It was what Mr. Adamson selected and all he paid for. It was all he had from July, 1905, and March, 1906.

The Worse Mr. Oliver.

But in the winter of 1906 it was impressed upon Mr. Adamson that if he wanted to make big money out of his deal he must have a tweny-one year lease with no cancellation clause in it. Brother-in-law Turriff, who had been Commissioner of Lands and associated with many previous deals, but was now in Parliament, came to his assistance. Mr. Oliver, who had settled the matter the year before, found himself unable to resist the combination of members of Parliament, of ex-Ministers, ex-Commissioners, with their sisters, cousins, aunts. On the 27th of February, Mr. Oliver wrote to Mr. Campbell, saying: "Look up the terms of the Brown lease—it is claimed by Mr. Turriff that a closed lease was ordered before the regulations of October last were passed. Let me know definitely on this point." Of course, Mr. Oliver did not need any information. He had shown in his letter to Mr. Ryley that he knew all about it. The closed lease had been ordered and it had been forfeited. It had been

again offered to Mr. Adamson on payment of the back rent and he had not taken it. But Mr. Campbell did what his Minister required. He told him that the order originally intended an irrevocable lease.

A Surrender to Graft.

Thereupon Mr. Oliver surrendered at discretion to the land hunters. He gave Mr. Adamson the lease, and the clause providing for cancellation on two years' notice was struck out. The Minister made this order on the 5th of March, 1906, and within one week Mr. Adamson had sold the lease for a price said to exceed $20,000.

Another strange thing happened. Though Mr. Adamson was put in the place of Mr. Brown as the original holder of the irrevocable lease he was still forgiven the back rent that Brown was bound to pay. Mr. Oliver had offered him the alternative to pay the rent and take the old lease or not to pay it and take the new one. Mr. Adamson did not pay the rent and he got the old lease. He played the game of heads I win, tails the Government lose. His total payments were between six and seven hundred dollars, and the whole transaction probably cost him less than a thousand. There was two thousand per cent. profit in this deal.

Genuine Rancher Foots the Bills.

The man who bought the lease from Mr. Adamson was a member of a genuine cattle ranching firm. He had been to Ottawa and had tried to get a lease from the Government, such as Mr. Adamson had. He would have been more than willing to pay the rent which Mr. Adamson escaped paying. But there were no irrevocable leases for him. These were all required for the McGregors and other political speculators who did not find it necessary to keep cattle. Therefore, Mr. John Cowdry, who had ten thousand cattle and wanted a ranch to feed them on, had to go to a member of Parliament and to the wife and sister of a member of Parliament, who had no cattle, and had to pay them a rake-off of $20,000, or thereabouts, to obtain the right to pasture his herds.

Discussed in Parliament.

The subject of this transaction was discussed in Parliament on the 21st of February, 1907, on the motion of Mr. Herron, M.P. for Alberta, who moved the following resolution.

> "That the circumstances attendant upon the acquisition of, and disposal by, the Galway Horse and Cattle Company of grazing lease Number 2059 reflects discredit upon the Government and should receive the disapproval of this House."

This motion was defeated by a straight party majority of eighty to forty-nine. (Hansard, page 3542,

The small majority of thirty-one, in a House where the Government has nearly double that majority, shows that many Liberals shirked the vote rather than endorse the disgraceful transaction.

ROBINS IRRIGATION DEAL.

Politicians Obtain Grazing Leases of 96,000 Acres—With Cancellation Clause Left Out—Government Sold them 9,450 Acres for $1 per Acre—They Sold Lease and Grant for $350,000 Profit.

SAME MEN GOT ANOTHER GRANT.

380,000 Acres on Long Credit, with Irrigation Conditions—And Sold their Bargain for Half a Million Dollars—Altogether $1,145,000 for Middlemen—And $9,450 to the People for the Land.

When the Liberal party was in opposition it had an excellent policy respecting land in the North-West. In convention in 1893 the party declared:

"No middleman in land transactions should be allowed to come between the Government and the settler, for the middleman's gain is the settler's loss and the Government's loss as well, because it retards settlement and checks progress."

What the Party Condemned.

The party also condemned. "The policy of making pasture land leases to cattle kings at a nominal rent of one to two cents per acre without asking for bids or seeking competition, and only with a limit of fifty thousand acres as the amount that might be covered by a single lease."

The Practice is Different.

But the Liberal party in power has other views, or at least other practices.

In the ranch country, when the present Government took office, grazing leases might be given subject to cancellation at the end of two years. Thus, if the land was required for settlement, it could be recovered for homesteaders on short notice.

Public Lands for the Political Speculator.

But when Mr. Sifton took office he changed all this. The power that had belonged to the Government as a whole to deal with grazing leases, was given to the Minister of the Interior to exercise as he liked. He took authority to grant grazing leases to run for twenty-one years without power of cancellation. He took power to give to the holders of these leases absolute grants of land to the extent of one-tenth of their holding,

at the price of $1 an acre, with the privilege of picking out the best sections throughout their whole ranch. Before 1905 only one of these twenty-one year irrevocable leases was given. That one went to A. T. Mackie, of Pembroke, a member of a well-known political family, who obtained a lease of 41,288 acres. That was in 1902, and Mr. Sifton gave no other such leases for more than two years.

A Great Day for Party Land Grabbers.

In April and May 1905, six irrevocable twenty-one-year leases were given out. All went directly or indirectly to active political supporters of the Government, who seem to have made their arrangements simultaneously. Mr. Oliver had become minister of the Interior before the leases were finally closed. These grants, with two others dated in July and August of the same year, and with Mackie's before mentioned, comprise 371,749 acres. As soon as the group of political land hunters had been satisfied, the policy of granting irrevocable leases was abandoned. Thus the camp followers in possession had a monopoly of this privilege. The Government also discontinued the sy tem of granting one-tenth of the lease to the holder as a freehold at $1 an acre.

Two of the Lucky Band.

Among the lucky men who got in during the short period that the bars were down was A. Hitchcock, o Moosejaw, who got 48,867 acres. Mr. A. Hitchcock and Mr. A. E. Hitchcock, who figured in this transaction, are energetic party men. Another was James D. McGregor, who was four days ahead of Mr. Hitchcock, and got 47,615 acres. Mr. McGregor was formerly a campaign manager for Mr. Sifton in Brandon, where he was a livery stable keeper. When Mr. Sifton took office he made Mr. McGregor a liquor commissioner in the Yukon. He became Inspector of Mines and a collector of royalty. A few years' residence in the Yukon enabled him to retire and return to the prairie country a capitalist, but still an exceedingly active political campaigner.

Mr. Hitchcock and Mr. McGregor merged their grazing leases, and formed the Grand Forks Cattle Company. On the 23rd of December, 1905, the Government gave this company an absolute freehold grant of 9,452 acres, being approximately one-tenth of their holding, receiving for it $1 an acre.

A New and Bigger Deal.

The Grand Forks Cattle Company now proceeded to exploit its concession. A scheme was devised to obtain a grant of other lands for irrigation purposes, to add the Grand Forks lease to this concession and float the whole enterprise on the English market. Having secured the

twenty-one year lease and the freehold grant at a very small outlay, Messrs. McGregor, Hitchcock and the politicians associated with them, prepared for the new venture. A visitor from England, named Guy Tracey Robins, spent a few months at Moose Jaw, and as the Hitchcocks and McGregors had been sufficiently in the lime light in the matter of land deals, this gentleman came forward as the visible applicant for the next concession. In the winter following the grant of the grazing leases, Mr. Robins applied for and obtained an irrigation grant of 380,573 acres. By his contract with the Government the nominal price was $3 an acre, less a rebate of $2 an acre for the whole block, on condition that the purchaser should irrigate one-quarter of the land. The $1 an acre was to be paid in five annual instalments, beginning with 1910, that is, four years after the grant was obtained.

The Real Parties.

This deal went through in the name of Guy Tracey Robins, representing the Robins Irrigation Company. But the Robins Irrigation Company, as shown by the prospectus issued in England, was really owned as follows:

A. E. Hitchcock	77 per cent.
J. D. McGregor	22 per cent.
G. S. St. Aubyn	1 per cent.
Guy Tracey Robins	0 per cent.

The main operators were no strangers to the Department of the Interior.

What They Got.

So we have the Grand Forks Cattle Company and the Robins Irrigation Company composed of the same group of politicians obtaining three valuable concessions.

First 95,000 acres held under a twenty-one-year irrevocable grazing lease, which cost two cents an acre rent.

Second, 9,450 acres freehold selected in choice lots over six townships and purchased for $1 per acre.

Third, a grant of 380,000 acres for which the purchasers agreed to pay $1 an acre net within nine years, and of which they had undertaken to irrigate the fourth part.

Preparing to Get the Rake-Off.

The next step was to sell out these concessions and take the profits as the owners had no idea of ranching or irrigating. For this purpose a concern was brought in called the Canadian Agency, Limited. This concern bought out the Grand Forks Company and the Robins Irrigation Company on the 18th of September, 1906, and sold out on the 9th of Oc-

tober to the Southern Alberta Land Company, an English corporation, which assumes all the financial responsibility, and proposes to get its money back with large profits by selling out the land to the settlers when the irrigation works are completed.

Now, let us see what value these Government concessions attain in the hands of the political middlemen.

Bought for $9,452 Valued at $113,424.

First of all a valuation was made of the property of the Grand Forks Cattle Company. Robert Hall, of Brandon, described as a man who knows the value of land, was selected by the English purchasers to examine this property. He looked first at the 9,452 acres for which McGregor, Hitchcock and their associates (J. O. Murray, wholesale liquor dealer in Dawson, and partner of Colin McGregor; D. A. Ross, formerly liquor dealer in Vancouver, afterwards in the same business at Dawson, and Hon. J. H. Ross, a member of the Canadian Senate, formerly Chief Commissioner of the Yukon, and later member of Parliament) had paid $1 an acre. The valuation was made in less than a year after the purchase from the Government, and Mr. Hall stated that "these lands have been selected out of an area of 100,000 acres, held under lease by the Grand Forks Cattle Company, Limited, and are, in my opinion, easily of the value of $12 per acre under present conditions, without reference to any future speculative possibilities." (Hansard, 1907, page 2495.) Mr. Hall added that some of this land had been cultivated, and was worth $5 an acre extra. Leaving this out, we find a net rake-off amounting to 1,100 per cent. on eleven months' ownership.

$350,000 Profit on the Grazing Lease.

The Grand Forks Cattle Company had made some improvements and placed some cattle on the lands, and had certain contracts with the G.T.P. to supply meat. The appraisers for the English purchasers valued all these assets at $444,000. But the valuator found that the Grand Forks Company had expended £60,000, or less than $300,000.

The Canadian Agency, or English middlemen, paid the Grand Forks Company £135,000 sterling, or $654,850 for the Grand Forks property. That is to say McGregor, Hitchcock and their friends got back all the money they put in for improvements. They got in addition a profit of $11 an acre on the 9,450 acres freehold for which they paid $1 an acre, and they received nearly $250,000 extra as the value of the irrevocable lease obtained by them the year before, and on which they had paid only the year's rent at 2 cents an acre. On this part of the deal their profits were $354,000.

Nearly $500,000 Profit on the Second Concession.

At the same time the McGregor, Hitchcock syndicate sold to the English middlemen the benefit of the irrigation concession of 380,000 acres. For the benefit of this contract of the Robins Irrigation Company, on which not a cent had been paid except the cost of surveys, the English middlemen paid £100,000 sterling, or $486,000. This was to be paid either in cash or part cash and part stock, and as the stock was over subscribed the pay would be taken in cash if the sellers desired it.

The Rake-Off is $840,000.

So we have the Hitchcock, McGregor concern obtaining picked land from the Government in 1905 for $1 an acre and selling it in 1906 for $12 an acre.

We have them obtaining a twenty-one-year lease in 1905, which other people cannot get at any price, and turning it over for more than $250,000 profit in 1906.

We have the same group under the name of the Robins Irrigation Company obtaining a concession of 380,000 acres in June, 1906, and turning it over in September of the same year for $486,000 profit without paying a dollar.

The total profits on these three operations amount to $840,000.

Another Middlemen's Profit.

Now comes in the next group of middlemen, the Canadian Agency, Limited, which bought the property and concessions from the McGregor, Hitchcock syndicate for £235,000, as above stated. This concern probably had in it some of our Canadian political friends, but they kept out of sight, leaving only Mr. St. Aubyn visible. The Canadian Agency, Limited, added another £65,000 or $316,250, to the price, and sold out to the Southern Alberta Land Company for £300,000. This margin included promotion expenses, and a large rake-off which went to persons not known.

The final purchasers have thus had to pay $1,455,000. If they can sell the assets, other than land of the Grand Forks Company, at the alleged cost, the outlay for land alone will be $1,155,000, and they will still have to pay the $1 an acre for the 380,000 acres of the irrigation concession.

The Settler Must Pay All.

The $1,155,000 will all have gone to promoters, political favorites and middlemen, except the $9,450 paid to the Government, for the land sold to the Grand Forks Cattle Company, and the few hundred dollars paid as rental during the period of negotiation. The people of Canada,

who owned the land received only $10,000 or $11,000 out of the $1,155,000 that was paid up to the time the Southern Alberta Land Company got possession.

Now the Southern Alberta Land Company, which pays this $1,155,000, and expects to pay $1,000,000 more for irrigation works, together with $380,000 for the land in the irrigation block, hopes to get it all back from the settler, together with substantial profits. Mr. J. B. Saunders, who has examined the land and reported on it, says that the soil is equal to that which the C. P. R. is irrigating, that it is a heavy black loam in the western portion and a lighter sandy loam with good sub-soil in the more eastern parts.

How It is to Work Out.

He figures out that the company will be able to realize the following prices:

85,000 acres (irrigated) in tract A at $23.00 per acre	$1,955,000.00
59,323 acres (non-irrigable) in tract A at $12.50 per acre .	741,537.50
10,143 1-4 acres (irrigated) in tract B at $20.00 per acre . .	202,865.00
226,106 3-4 acres (un-irrigated) in tract B at $5.00 per acre	1,130,533.75
	$4,029,936.25

These receipts, with the proceeds of the Grand Forks Cattle Company assets and of the sale of water rights would give the Southern Alberta Company a good profit. The genuine investors may be disappointed in these hopes or they may not. If they succeed the settlers will have paid for their land an unnecessary price. If they fail the country will suffer in reputation and credit. In any case the Canadian politicians who received these special favors and concessions will have bagged their million dollars or so without having paid anything or risked anything. This million will be paid by the farmer settler if the scheme succeeds.

What Might Have Been.

If the Government had sold the land directly to the people who proposed to irrigate it, all this rake-off would have been avoided, and the settler would have obtained his land at cost price, with a reasonable profit to the men who in good faith invested their money. Or if it was thought that the settler could afford to pay these proposed prices, the sum of over a million dollars which has been gathered in by the promoters and middlemen would have gone to the Dominion treasury. Whether the rake-off has been taken from the Canadian tax-payer or from the western farmer, it must be regarded as plunder, pure and simple.

It was shown when this subject was discussed in Parliament, February 5th and 7th, 1907, that if the present owners of these concessions had not been obliged to pay the promoters and middlemen, they could have

sold the land to the farmer, after all the irrigation work had been done, at a price somewhat lower than the lands will now cost the company, and would still have made 50 per cent. profit. As it is, all the profit they make must be taken out of the settler over and above the price he ought to pay.

No Need of It.

There was absolutely no necessity for the intrusion of the McGregors, Hitchcocks, Rosses, Murrays and other political speculators between the Government and the settler or between the Government and the genuine investor. But it seems to be impossible, under the present political regime, to keep them out or to prevent them from getting their intermediate profits on other people's expenditure. Irrigation works are no longer an experiment in the West. They have been carried on successfully by various corporations. There is no secret or mystery about it requiring the subsidizing of a go-between. All that is necessary is for the Government to deal directly and honestly with the genuine investor, so that he can take his legitimate profits and sell the land at a reasonable price.

The Resolution, Debate and Division.

The whole subject was discussed in a debate on the following motion, moved by Mr. M. S. McCarthy, M.P. for Calgary. (Hansard, page 2541, unrevised):

"This House, while favourable to every reasonable and legitimate undertaking for the development and colonization of that portion of the Canadian West which can be made suitable for agriculture only by means of irrigation, condemns the action of the Government in the matter of the Robins Irrigation contract, being of opinion that the Government has failed to safeguard the rights of the people, has subordinated the public interest to that of speculators, and has, for the benefit of certain favorites of this Administration, permitted the enterprise to be overloaded with promoters' profits, which must in the end be paid by future settlers."

The motion was supported by Dr. Roche, of Marquette; Mr. H. B. Ames, of Montreal; Mr. Edmund Bristol, of Toronto; Mr. R. S. Lake, of Qu'Appelle; Mr. Borden; Mr. W. B. Northrup, of East Hastings; Mr. Heron, of Alberta, and Mr. Bourassa, of Labelle, the latter an independent Liberal. The deal was defended by Hon. Mr. Oliver, Mr. Knowles and Mr. Turriff, of Assiniboia; Mr. McPherson, of Vancouver; Mr. Carvell, of Carleton, New Brunswick; and Mr. A. K. McLean of Lunenburg. On the vote the deal was sustained by a majority of thirty-three, a straight party division except that Mr. Bourassa voted with the Opposition and a number of Liberals shirked the vote.

TIMBER LIMITS.

Abrupt Changes in Timber Regulations.—For One Short Period they were Favorable to the Limit Holders.

That was the Time for Mr. Burrows, Brother-in-law of the Minister, to Secure 305,920 Acres, Mainly on Most Favored Terms.

A Peremptory Man Who Demands What He Wants, and Gets What He Demands, While Others are Held to the Regulations.

One of the grounds upon which Mr. Borden proposed an investigation into crown land administration of the Federal Government was the policy and conduct of the Department of the Interior in regard to timber limits in the West.

In the year 1903 two abrupt and important changes were made in the timber regulations. Immediately following these changes, which were greatly to the advantage of the limit holders, a near relative to Mr. Sifton acquired a large number of areas under circumstances justifying an inquiry.

Former Restrictions.

Previous to 1903, all timber leases were subject to revision of the rental and royalty, and also to the condition that any portion of the limit might be opened for settlement to homesteaders, the limit holder having a short time to clear away the large timber. Neighboring settlers were also allowed to get wood and timber for their own purposes on the licensed premises.

Following are among the regulations containing these provisions. Section 3 of the regulations of 1898 reads as follows:

"When a licensee has complied with all the conditions therein set forth in his license and the regulations, and where no portion of the timber berth is required for settlement or other public purpose, of which the Minister of the Interior is to be the judge, the license may be renewed for another year, subject to such revision of the annual rental and royalty to be paid therefor as may be fixed by the Governor-in-Council."

Sub-section 2, of Section 10 of the regulations of 1898, provides that the license shall not interfere with the settlement of any lands within the

limit which may be desirable for settlement, and that the only recourse of the licensee against the ruling of the Minister in favor of permitting settlement is that he may within sixty days after notice remove all timber over ten inches in diameter. It also provides that individual homestead settlers with free permits shall be allowed to cut and remove from land covered by a license such building timber, fence rails or fire wood as the permit might set forth.

Leases Made Irrevocable.

In 1903 the Government changed all this. On recommendation of Mr. Sifton an Order-in-Council was passed on the 14th of April of that year repealing the above conditions and substituting the following (Hansard, 1906, page 4177):

"So long as the licensee complies with the conditions of his license and of the regulations he shall be entitled to a renewal of his license from year to year while merchantable timber remains upon the area licensed. When a substantial portion of the said area has been denuded of timber, the minister may dispose of the same under sale or settlement regulations, provided that no such disposition shall be made of land immediately contiguous to merchantable standing timber, or in such a way as to endanger destruction thereof by fire."

This change makes the license permanent on the terms of the grant, whereas it was previously renewable year by year at the option of the Minister and subject to the revision of rental and royalty.

The same Order-in-Council rescinded the regulation which allowed settlement within the timber berth, and also the provision allowing neighboring settlers to obtain timber on the limits for their own use.

A Valuable Concession.

Speaking of this change on May 17th, 1906, in the House, Mr. Perley, M.P. for Argenteuil, a practical lumberman, said that the order of 1903 "was valuable to the limit holders to an amount not to be expressed "in small figures." He added:

"If I could get an Order-in-Council of that kind put in force with regard to the limits I own in this part of Canada and it could be enacted as a permanent law I would be only too glad to pay to the government of the Province that gave it, a large sum of money for what I would regard as much greater rights than I possess at the present time."

Again, Mr. Perley said:

"If anything of that kind was offered to me in this part of Canada I think I would be largely increasing the value of my holding because I would know exactly where I stood and would be sure that my rights in the limit would not be disturbed in any way . . . . and therefore I hold

that the Order-in-Council is an improvident order and that it will increase, in fact I feel justified in saying that it may double the value of the timber limits affected by it."

Where Brother-in-Law Burrows Comes In.

Mr. T. A. Burrows, M.P. for Dauphin, Manitoba, is a brother-in-law of Mr. Sifton. The above Order-in-Council increasing the value of timber limits and giving the owners greater security was passed as above stated on the 14th of April, 1903. The following is a list of berths granted to Mr. Burrows between 1898 and 1904. It will be seen that the majority of them were obtained immediately before or soon after the above changes in the regulations.

No. of Berth.	Date Granted.	Area.
814	May 30, 1898	15 square miles.
827	Sept. 4, 1898	44 "
966		50 "
992	Dec. 30, 1901	40 "
1,000	Feb. 10, 1902	5 "
1,001	" 10, 1902	6 "
1,002	" 10, 1902	4 "
1,046	March 7, 1903	40 "
1,047	" 7, 1903	50 "
1,054	April 8, 1903	1 "
1,068	June 24, 1903	5¼ "
1,073	July 15, 1903	20 "
1,093	Nov. 11, 1903	12 "
1,094	" 11, 1903	27 "
1,099	" 11, 1903	44 "
1,120	Jan. 27, 1904	15 "
1,191	Dec. 7, 1904	50 "
1,192	" 7, 1904	50 "

The total of the areas held by Mr. Burrows is 478 1-4 square miles, or 305,920 acres. It is evident that the Minister's brother-in-law was by far the largest gainer in the whole country from the Order-in-Council making the license permanent and shutting out the berths from settlement and from the use of neighboring farmers.

A Man Who Gets What He Wants.

In the address of Mr. W. J. Roche, M.P., for Marquette, Manitoba, it was shown that Mr. Burrows had other exceptional privileges. About six months after Mr. Sifton became Minister of the Interior he requested Mr. Burrows to inspect the district of Manitoba, northwest of Dauphin Lake, known as the Swan River Valley. Mr. Burrows reported concerning the "unfailing supply of wood and building timber in the wooded districts and also the immense areas of solid timber on the Duck Mountain

"to the south, and the Porcupine Mountain to the north and west." Since then Mr. Burrows has obtained large timber areas in those districts.

In July, 1898, a regulation was passed allowing the Minister of the Interior to grant permits to saw-mill owners to cut over a definitely described tract of land not exceeding 50 square miles in extent. No tender or competition was required for this privilege, which was intended for mill owners who could show that they needed timber to keep a neighboring mill running. This order came into effect on the 13th of August, and eight days afterwards Mr. Burrows applied for a permit for 50 square miles. Mr. Roche states that others who complied with the conditions obtained permits in some cases and those who did not were refused. Mr. Burrows was the only one who did not comply and was not refused. He did not define his limit. He did not manufacture the lumber in a neighboring saw-mill, but sold the timber to the Dauphin Railway & Canal Co.

At the same time another applicant for a limit was refused on the ground that he did not indicate that his supply was exhausted, and that it was absolutely necessary to get a supply to keep his mill running. Still another was refused on the ground that the berth would produce more if put up for competition, and a third, because he did not furnish the department with a definite description of the land.

Quite Dictatorial.

At this time Mr. Burrows was writing to the Deputy Minister of the Interior in the following language.

"I cannot define by sections the timber I want. Where I made the mistake was in not including a larger area in the block which I was to choose, berth 814. Now, Mr. Smart, I want this permit, and owning as I do berth 814, I am entitled to first right of permit.

"Kindly have permit sent me. I intend cutting ties on it this winter.

"Sorry I did not see you when I was last in Ottawa."

It is hardly necessary to say that Mr. Smart kindly had the permit sent to Mr. Burrows.

There was one range in one township, however, that the Deputy Minister withheld from the permit. He wrote to the local agent: "You "may issue a permit except for township 32, range 22."

Nevertheless, Mr. Burrows went on and cut timber in this forbidden area. Afterwards he wrote to the department that he had cut it inadvertently, and added: "I beg, therefor to ask that the lands I have defined "in township 32, range 22, be included in the tract covered by my permit."

They were included.

BLAIRMORE TOWN SITE.

Belongs to a Politician, who got it cheap—Worth $200,000; Cost $480—Patent Obtained Under a Bogus Squatter's Claim—Exchequer Court would have Cancelled the Patent—On the Ground of Fraud and Misrepresentation—But Mr. Sifton Interposed and Withdrew Case from the Court.

The town of Blairmore is romantically situated on an elevated plateau on the eastern slope of the Rocky Mountains at the Crow's Nest Pass. It is near the mining town of Frank, and is itself a prosperous and busy village with a population of several hundred, having hotels, business establishments and splendid prospects of growth and development. The town site of Blairmore is the property of Mr. Malcolm MacKenzie, a member of the Alberta Legislature, who was a Government candidate for the House of Commons in 1904. Mr. MacKenzie is a lawyer who resides in the town of MacLeod, forty-five miles from Blairmore, and has been one of the leaders of the Laurier party in that neighborhood for many years. In his Blairmore town site he has a property estimated to be worth $200,000. This estate cost Mr. MacKenzie the sum of $480. How he came to get so much wealth at so little cost is an interesting story.

The Value of a Pull.

If Mr. MacKenzie had not been an active member of the Liberal party he would still have had his $480, but he would not have had the town site of Blairmore. If the Government of Canada had dealt honestly with the public property, the people of Canada would have had the benefit of the increased value of Blairmore or else the property would have been put up for competition, and the benefit would have gone to the men prepared to pay the most for it. Or if it was the policy of the country to sell this 160 acres of town site to the first comer it would have gone to a claimant who was first on the land as a permanent settler, who made the first offer to buy it and who fairly prosecuted his claim. But since Mr. MacKenzie is what he is and the Government is what it is, the right to Blairmore was awarded to the assignee of an Italian, whose claim was based on falsehood, and whose title would have been cancelled by the judge had not the Minister of the Interior interfered and caused the property to be given to a political associate and supporter.

The Story from the Start.

This is the story of the Blairmore town site. In 1898 the Canadian Pacific Railway employed on that spot Mr. Henry E. Lyon, who was local agent for the railway, and Mr. Felix Montalbetti, an Italian, who went there as section foreman. Both occupied quarters on what was afterwards the town site. The Italian was provided with a tent, which he occupied while the railway was building him a residence on the company's own ground. Mr. Lyon, with the help of the company's men, put up a temporary shanty on the town site. Both made little gardens on the ground, but, as it was afterwards judicially declared, neither of them in that season or the year after did anything in the way of establishing a permanent residence. The Italian moved into the company's house. Mr. Lyon remained in the railway employ until 1900, when he built a store on the town site and applied for the quarter section as a homestead. He was informed that this was an odd numbered section and could not be homesteaded. Then he tried to buy the land at the usual price, claiming preference as a squatter. He proposed that if his claim and his money were not accepted the land should be put up at competition, and he should have a chance to bid on it. Lyon was the first person to ask for the land as a homestead. He was the first to try to buy it. His store was the first permanent building on the disputed property.

Enter Mackenzie.

Mr. Lyon did not get the land. It remained ungranted. In 1901 it was worth anybody's while to obtain this town site. It was valued at over $50,000. Blairmore had obtained a population of over 200 and people were coming in rapidly. Meanwhile Felix Montalbetti had made an acquaintance. Mr. Malcolm MacKenzie, forty-five miles away at MacLeod, had his eye on this town site. The Italian found himself at this lawyer's office. This politician has said that he did not know Montalbetti's statements were untrue, but he obtained all the advantages that could be obtained from them. Montalbetti assigned his claim to Mr. MacKenzie at the time that the affidavit was made. The papers were forwarded by Mr. MacKenzie to the Department, and it became necessary for the Government to decide who should have the land.

Nemo Was the Man.

First, the Homestead Inspector in that locality was sent to investigate. He went to the ground, inquired into all the claims, reported that neither Lyon nor Montalbetti was technically a squatter. But before this report was received at Ottawa some suspicion seems to have dawned upon the mind of the politicians who were managing this business that Mr.

Stewart would not report in favor of the Italian, whose claim belonged to Mr. MacKenzie. Thereupon it was decided to send up in haste a more satisfactory investigator. The choice fell upon Joseph Nixon, the sub-agent of Dominion Lands at MacLeod. Mr. Nixon was a comrade of Mr. MacKenzie in campaign politics. He was afterward found to have collected in his office considerable sums of revenue which failed to reach the Dominion treasury, and his official books were shown to contain numerous false records. The consequence was that Mr. Nixon had to give up his office and refund the missing money. But he, too, had a political pull, and received an appointment to another position as good as the one he lost. This Nixon affair was fully discussed in the sessions of 1905 and 1906.

Nixon and MacKenzie.

Now we go to Mr. Nixon's investigation of the Blairmore town site. Mr. Nixon went to Blairmore. Mr. MacKenzie went up in the same train. They returned together. Mr. Nixon was told before he sent in his report that the Italian had assigned his claim to Mr. MacKenzie. Mr. Nixon told Mr. MacKenzie before he sent in his report to Ottawa what he was going to say. Of course, Mr. Nixon reported in favor of the Montalbetti claim, that is, in favor of Malcolm MacKenzie.

This report did not come with the shock of a great surprise to Mr. Turriff, Commissioner of Crown Lands, and now member of Parliament. A great many of these astonishing land transactions lead up to Mr. Turriff's administration, and it has been shown that Mr. Turriff's near relatives were beneficiaries in several of these generous concessions. It became Mr. Turriff's privilege to act on Mr. Nixon's report in favor of MacKenzie's claim, and on the report of his homestead inspector against it.

Mr. Turriff as a Lightning Operator.

Mr. Turriff got to work very quickly. It was on June 7, 1901, that MacKenzie obtained his assignment from Montalbetti. It was June 17th that the telegram was sent to Mr. Nixon ordering him to investigate. Mr. Lyon had asked for delay until he established at Ottawa that the affidavit of the Italian, on which MacKenzie's claim was based, was absolutely false. But Mr. Turriff opened his court on July 19th, which must have been within a few days after receiving the reports. It was a very short sitting of the Land Commissioner's tribunal and Mr. Turriff required no time to consider. He at once decided in favor of Mr. MacKenzie. In his decision Mr. Turriff set forth in detail the statements of the Italian as to his occupation of the land, which statements Mr. Lyon asked for a chance to contradict, and were later proved in the Exchequer Court to be absolutely false.

Pretty Cheap.

On the 25th of July the patent for the town site of Blairmore, then worth fifty to one hundred thousand dollars, was issued to Mr. MacKenzie. He paid $3 an acre or $480 for the land, and that seems to be all that it ever cost him. All the evidence goes to show that the Italian received nothing for his claim, which, as a matter of fact, had no value. At least the conclusion of Judge Burbridge, who held the only real inquiry into the matter which ever took place, was that there had been no consideration.

Could Not Wait.

On the 22nd of July, three days before the patent was issued, Mr. Lyon, through his solicitors in Ottawa, had thus protested against the issue of the patent without his having an opportunity to show that the affidavit of Montalbetti was false.

> We beg hereby to request that a patent be not issued to Montalbetti for some days in order that our client, Mr. Henry E. Lyon may have an opportunity of proving that the statements of Montalbetti filed with you are almost wholly incorrect. Our client states that he can prove by several uninterested witnesses that Montalbetti, never cultivated an inch of this land, and that he never built a house prior to this year, having resided in the Canadian Pacific Railway section-house on their right of way.
>
> This evidence could have been produced before the argument took place had we been permitted to see the files and know what was contained in Montalbetti's affidavit. This, however, was not granted us until a day or two before the argument. Our client is prepared, if necessary, to bring the witnesses to Ottawa in order that they may be examined in the department.

Hon. David Mills Grants a Trial.

As Mr. Turriff and the Department would not wait, Mr. Lyon proceeded to attack the patent through the Exchequer Court. He submitted his statement to Hon. David Mills, then Minister of Justice, asking that the patent obtained through fraud should be declared void. Mr. Mills was not in favor of frauds of this kind. He granted a fiat for trial in the Exchequer Court. This tribunal proceeded by appointing Judge Wetmore, of the Supreme Court in the North-West, to proceed to Blairmore and take evidence. Lyon's claim for relief had asked that the patent issued to Malcolm MacKenzie on the 25th April, 1901, should be declared to have been issued through fraud or in error or improvidently, and that the same should be declared null and void, and should be delivered up by the defendant, Malcolm MacKenzie, for cancellation.

Judge Wetmore's Discoveries.

The first thing Judge Burbidge, of the Exchequer Court, had to do was to ascertain the facts of the case. For that purpose he appointed a referee to go upon the ground and make investigation and take evidence.

For this duty, Mr. Justice Wetmore, of the Supreme Court of the North-West, was selected. Judge Wetmore went to Blairmore and held his investigation. He found no difficulty in reaching the conclusion that the Montalbetti affidavit was untrue and the claim was fraudulent upon which the patent was obtained. Felix Montalbetti himself admitted on examination that the essential paragraphs in his statement were untrue. He confessed that he had not told the truth when he swore:

(a) That he erected other outbuildings than the stable upon the land in question.

(b) That he cultivated a portion of the land in 1901.

(c) That he erected the stable in 1899.

(d) That since 1898 he had kept on the land certain stock.

Statements Fraudulently Made.

Judge Wetmore also found that though the patent had been issued more than a year Mr. MacKenzie had not paid one cent to Montalbetti or given him a scratch of a pen to show indebtedness. The Judge reported that "the untruthful statements and misrepresentations which I have found to have been made in this declaration are so many and of such a character that I cannot resist the conclusion that they were fraudulently made with the intention of influencing the minds of the officials of the Department of the Interior in determining to whom the right to purchase the land in question should be given."

Mr. Sifton Comes to the Rescue.

In the course of events the Exchequer Court would have proceeded on this report to cancel the patent, and that is what Judge Burbidge was about to do if matters had been allowed to take their course. Mr. Mills was no longer Minister of Justice, and as early as the 1st of March, 1902, his successor, Mr. Fitzpatrick, began to be bombarded with letters from Mr. Sifton, the friend and patron of Mr. MacKenzie, holder of the patent. On the 1st of March, 1902, Mr. Sifton wrote to the Minister asking that proceedings in the Court be delayed. On the 12th of April Mr. Sifton wrote again saying, "I have a report from the Land Commissioner which inclines me to the view that the fiat ought to be withdrawn." On the 7th of February, 1903, months after Judge Wetmore had discovered and established the fraud, Mr. Sifton again wrote to "My Dear Fitzpatrick." In this letter he states that Lyon had been permitted to urge his own claim, but that if he failed to establish a right the Department of the Interior had no reason to re-open the case or for "desiring to withdraw from the sale that was made to Montalbetti. Mr. Sifton and Mr. MacKenzie knew that Judge Wetmore had reported that none of the claimants were

legally entitled to rights as squatters. He was, therefore, urging that a sale based on a fraudulent claim to a squatter's rights, a claim judicially reported to be founded on a series of perjuries, should be recognized and allowed in a case where it made Mr. Sifton's friend and supporter a rich man.

Minister Holds Up the Court.

The Exchequer Court was held on the 20th of March, 1903, when Judge Burbidge, after commenting on the report of Judge Wetmore, decided that he ought to hear some further explanation from Commissioner Turriff, and the case stood over for that purpose. Mr. F. H. Chrysler, K.C., had appeared in Court as counsel for the Government, which was the supposed plaintiff in the case. On the day after Judge Burbidge's report, Mr. Sifton again intervened to head off further proceedings. Mr. Sifton gave these instructions:

"As I am obliged to go away and the acting Minister will not in all probability have time to familiarize himself with matters of this kind I desire you to see that no further steps are taken until I return—I shall rely upon you to see that my wishes in this respect are carried out. Mr. Fitzpatrick will no doubt be too busy to give it personal attention."

This letter was in answer to one from Mr. Chrysler, informing Mr. Sifton that the Judge was prepared to set aside the patent which had been fraudulently obtained.

Case Must Be Discontinued.

Mr. Sifton's absence was long, and when he returned he found that his wishes had been carried out. Nothing had been done and his friend was still in possession of the town site. But Judge Burbidge had to deliver judgment. Whereupon Mr. Sifton wrote to the Minister of Justice on December 17th saying that the proper course was to bring the matter before the Judge and to state that

"The Crown has no desire to ask for the cancellation of the patent on the ground of the inadequacy of the price because everything relating to the price was thoroughly well known when the sale was made."

Now it was not the inadequacy of the price, but the adequacy of the fraud which vitiated the patent. This also may have been known to the Department when the sale was made, but Mr. Sifton would not care to say so. He had to say something more, however, before he could cause the court to dismiss the suit, and so he wrote again on the 12th of January, 1904, stating plainly that the counsel for the Crown should ask to have the case discontinued" without cost to either party.

Dismissed on Request of the Crown.

Accordingly, Mr. Chrysler carried out these instructions, and on May 13, 1904, wrote to the Deputy Minister of Justice:

Dear Sir,

King, et. rel. Lyon vs. MacKenzie.

"I attended this morning upon the return of the motion for judgment in this case and pursuant to your instructions asked that the action should be dismissed without costs."

That brought the matter to an end. The Crown was acquainted with the case, asking that the patent be set aside on account of fraud, and the Crown, instructed by Mr. Sifton, withdrew. Judge Burbidge, therefore, gave judgment dismissing the action, and giving his reason, setting forth that His Majesty the King who was the plaintiff in the case, had consented that the action should be dismissed without cost.

Judge Burbidge had stated that he was prepared to order the cancellations of the patent on the ground of fraud, and the Government had requested him to let the patent stand. And, as the Government was the other party in the case, its consent meant the dismissal of the action. It is evident that there was only one party in the case after Mr. Lyon was disposed of, and that the Government and Mr. MacKenzie were, for the purposes of this case the same party.

Government Pays All Costs.

The action was dismissed without cost against Mr. Lyon. That is to say, the costs which he would have paid as the loser were assumed, not by himself or Mr. MacKenzie, but by the Government. As a consideration for the escape Mr. Lyon had to agree not to disturb Mr. MacKenzie any more. Thus the Canadian treasury pays for the protection of Mr. MacKenzie in his possessions. The bill of costs, taxed by the Justice Department, was $2,585. All that the Government ever got from Mr. MacKenzie for a town site now valued at $200,000 was $480 which was $2,105 less than the bill of costs paid by the Government on his behalf.

MacKenzie Becomes Government Candidate.

The judgment by consent was given on the 14th of July, 1904, and about that time Mr. MacKenzie took the field as Government candidate for the House of Commons in the election of that year. He was not elected, but was a successful candidate in the Provincial election following, and is now a member of the Alberta Legislature. He has thus given a return in political services for the handsome present of $200,000 which the Government has bestowed upon him at the expense of the people of Canada.

The whole matter was discussed in the House of Commons, April 12, 1907, on a motion of Mr. Lake, M.P. for Qu'Appelle. Mr. Lake moved:

Mr. Lake's Motion.

"The Government of Canada took proceedings in the Exchequer Court to set aside a patent issued to Malcolm Mackenzie, as the assignee of Felix Montalbetti, on July 25, 1901, comprising 160 acres, known as the Blairmore town site.

"That evidence was taken in the said proceedings before the Hon. Mr. Justice Wetmore as special referee, and it appears by his evidence, that the said Felix Montalbetti, in making applications for the said patent, had made untrue statements as to the material facts and that the said untrue statements were fraudulently made with the intention of improperly influencing the minds of the officials of the Department of the Interior.

"That the said finding of Mr. Justice Wetmore as special referee, was approved and concurred in by the Hon. Mr. Justice Burbidge, Judge of the said Exchequer Court.

"That notwithstanding the said finding the Government by its counsel appeared in the said Exchequer Court and withdrew the said proceedings and consented to an order which confirmed the said Malcolm MacKenzie in his title to the said town site so acquired by fraud.

"That the said MacKenzie is a prominent supporter of the present administration and was their candidate at the general elections in 1904, for the electoral district of Alberta, and is now a Member of the provincial legislature of the province of Alberta.

"That the said town site is very valuable, and is estimated to be worth between $100,000 and $200,000.

"That the collusive action of the government through the Department of the Interior in thus confirming a political supporter in the possession and ownership of property obtained by fraud, deserves and should receive the strongest condemnation of this House."

The Deal Endorsed by Parliament.

This motion was supported in the debate by Mr. Macdonnell of Toronto, Mr. Herron, of Alberta, the leader of the Opposition, and Mr. Barker, of Hamilton. The Minister of the Interior, Mr. Turriff and the Minister of Justice defended the deal, though they did not attempt to break down any of the statements or dispute any of the facts above stated. In the vote Mr. Lake's motion was rejected by a straight party majority of fifty-six to twenty-seven.